

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03

NSCE-00 SSO-00 USIE-00 INRE-00 IO-10 /124 W

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O 102059Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 8372

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINSHASA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY QUITO

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AMEMBASSY ROME

AMEMBASSY STOCKHOLM  
AMEMBASSY TEHRAN  
AMEMBASSY TOKYO  
AMEMBASSY TRIPOLI  
AMEMBASSY VIENNA  
AMEMBASSY WELLINGTON  
USMISSION NATO  
USMISSION EC BRUSSELS  
USMISSION USUN  
USINT BAGHDAD

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 09120

E.O. 11652: GDS  
TAGS: ENRG  
SUBJECT: PRODUCER/CONSUMER PREPCON: FOURTH DAY

1. INFORMAL CONTACTS BY EC DELEGATION WITH IRAN AND ZAIRE ON AGENDA WERE INITIATED LAST EVENING AND CONTINUED TODAY.  
WITH THIS PROCESS UNDERWAY, PLENARY MET BRIEFLY AT NOON AND ADJOURNED TO PERMIT CONTACT GROUP TO CONTINUE DISCUSSIONS.

2. IN MORNING SESSION OF CONTACT GROUP, OPEC/LDC REPS IRAN AND ZAIRE WERE UNWILLING TO DEAL IN DETAIL WITH ENERGY ON AGENDA UNLESS SYMMETRICAL TREATMENT GIVEN TO RAW MATERIALS. IRAN PROPOSED INCLUDING ON AGENDA ENERGY ITEM SUCH AS LONG TERM ENERGY SITUATION IT HAD PROPOSED  
IN EARLIER PLENARY INTERVENTION. INSTEAD, THEY ARGUED FOR BRIEF AGENDA COVERING ENERGY AND RAW MATERIALS ONLY, WITH LITTLE OR NO SPECIFICS UNDER EITHER TOPIC. BY EVENING, ONLY VERY MODEST PROGRESS ACHIEVED BY GROUP. BOTH SIDES ESSENTIALLY ARE CONTINUING TO DEFEND INITIAL POSITIONS AND PROBING FOR AREAS OF POSSIBLE COMPROMISE. OPEC/LDC REPRESENTATION IN CONTACT GROUP WAS EXPANDED TO INCLUDE ALGERIA AND SAUDI ARABIA. SEVERAL DELEGATIONS IN GROUP OF SEVEN HAVE PRESSED  
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U.S. TO JOIN EC ON CONTACT GROUP. WE HAVE RESISTED THIS BOTH BECAUSE OF PROBLEM THIS WOULD POSE FOR JAPAN AND BECAUSE THERE SEEMS NO TACTICAL ADVANTAGE IN OUR BEING OUT IN FRONT.

3. IN BILATERAL CONTACTS, U.S. HAS SUPPORTED POSITION TAKEN BY EC DEL IN CONTACT GROUP IN WHICH EC HAS MAINTAINED THAT MOST SUBJECTS OF

SPECIAL CONCERN FOR OPEC/LDC GROUP COULD BE ADDRESSED BY THEM UNDER THE VERY BROADLY DRAWN TOPICS UNDER THE "ENERGY-RELATED" ITEM ON THE EC DRAFT AGENDA.

4. ROBINSON MET APRIL 10 WITH AIT CHAALAL (HEAD OF ALGERIAN DELEGATION) TO REVIEW PRESENT IMPASSE ON AGENDA AND EXPLORE POSSIBILITIES FOR RESOLUTION. ROBINSON EMPHASIZED OUR DESIRE TO WORK OUT ARRANGEMENT WHICH MEETS ESSENTIAL NEEDS OF BOTH SIDES AND OUR INTEREST IN BEGINNING PROCESS OF DISCUSSION WHICH WOULD BE USEFUL FOR ALL CONCERNED. HE SAID HE BELIEVED SOME BREAKTHROUGH WAS NEEDED BY APRIL 10 EVENING OR NEXT MORNING, FAILING WHICH IT WOULD SEEM NOT BE POSSIBLE TO REACH AGREEMENT ON BASIS FOR FULL CONFERENCE. ROBINSON NOTED THAT WE HAD COME TO PREPCON WITH STRICT MANDATE RELATED TO ENERGY. HE STRESSED OUR VIEW, SHARED BY OTHER INDUSTRIALIZED COUNTRY PARTICIPANTS, THAT ALL SUBJECT MATTER OF THE CONFERENCE SHOULD BE WITHIN OVERALL FRAMEWORK OF ENERGY ISSUES BUT NOTED THAT SUCH FRAMEWORK WOULD GIVE AMPLE OPPORTUNITY FOR PARTICIPANTS TO DISCUSS MATTERS OF INTEREST TO THEM. AIT

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NSCE-00 SSO-00 USIE-00 INRE-00 IO-10 /124 W

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AMEMBASSY ABU DHABI  
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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 09120

CHAALAL EXPRESSED HIS OWN DESIRE TO RESOLVE AGENDA  
IMPASSE AND APPRECIATION FOR ROBINSON'S PERSONAL  
EFFORT TO FIND BASIS FOR AGREEMENT. HE SAID  
THAT OIL PRODUCERS AND LDC'S HAD COME TO PREP-  
CON WITH MANDATE "INVERSE" FROM OURS. HE HAD  
TO DIFFER FIRMLY ON THE PROPOSITION THAT ENERGY

QUESTIONS, WHILE ADMITTEDLY MOST IMPORTANT, SHOULD PROVIDE THE OVERALL FRAMEWORK FOR DISCUSSIONS AT THE CONFERENCE. HE SAID THE OIL PRODUCERS AND LDCS WERE UNITED IN DESIRING TO BROADEN FIELD OF DISCUSSION TO MATTERS OF GREAT INTEREST TO THEM REGARDING NEW WORLD ECONOMIC ORDER WHICH MIGHT BE IN SOME CASES UNRELATED OR ONLY VERY marginally RELATED TO ENERGY. BOTH ROBINSON AND AIT CHAALAL AGREED TO CONTINUE STRENUOUS EFFORT TO FIND BASIS FOR AGREEMENT BUT THEIR CONVERSATION ENDED WITHOUT ANY EVIDENCE OF BREAK IN IMPASSE. 5. IN BILATERAL, BRAZILIAN HEAD OF DELEGATION CABRAL DE MELLO SUGGESTED TO ROBINSON THAT U.S. AGREE TO BRIEF SKELETAL AGENDA TO PERMIT CONFERENCE PARTICIPANTS TO ADDRESS TOPICS THEY WISH TO RAISE.

6. POSITION OF OPEC/LDC GROUP REMAINS FIRM THAT RAW MATERIALS ISSUE MUST RECEIVE TREATMENT ON CONFIDENTIAL

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AGENDA EQUAL TO THAT GIVEN ENERGY.

7. UNDER THE CIRCUMSTANCES IT WILL BE DIFFICULT TO ACHIEVE OUR OBJECTIVES OF (1) INITIATING A PRODUCER/CONSUMER DIALOGUE ON OIL AND ENERGY, (2) ACHIEVING AN AGENDA FOCUSED ON THE KEY ELEMENTS OF THAT DIALOGUE IN ORDER REINFORCE OUR EFFORTS TO STRENGTHEN CONSUMER SOLIDARITY, AND (3) AVOIDING A CONFERENCE THAT WOULD TEND TO LEGITIMIZE THE OPEC EXAMPLE AND CURRENT HIGH OIL PRICES.

8. AS MATTERS STAND, WE CAN ENVISAGE THREE POSSIBLE OUTCOMES, ALTHOUGH THERE ARE VARIANTS OF EACH.

A. IT MAY STILL BE POSSIBLE TO OBTAIN AN AGREED AGENDA ALONG THE LINES BEING PRESSED BY THE EC ALTHOUGH THIS IS INCREASINGLY DOUBTFUL.

B. IT MAY BE POSSIBLE TO "AGREE TO DISAGREE" ON AN AGENDA. ONE WAY TO DO THIS WOULD BE TO FOOTNOTE ITEMS WHICH ARE NOT AGREED BY "SOME DELEGATIONS." ANOTHER WOULD BE FOR EACH SIDE TO INSERT INTERPRETIVE LANGUAGE QUALIFYING THE AGENDA ITEMS. UNDER THE LATTER VARIANT, THE IEA SIDE WOULD PLACE THE AGENDA FIRMLY IN THE CONTEXT OF OIL AND ENERGY. A DISAGREED AGENDA WOULD AVOID BREAKING UP THE PREPCON, BUT WE WOULD HAVE TO CONSIDER NEXT STEPS ON THE BASIS OF WHAT EMERGED FROM THE PROCESS. FOR EXAMPLE, WE MIGHT

GO TO A LIMITED PARTICIPATION CONFERENCE ON THIS BASIS OR WE MIGHT EXPAND THE NUMBERS. IN THE EVENT, ENOUGH PROCEDURAL ISSUES COULD BE OPEN AT THE CONCLUSION OF THIS MEETING TO DELAY THE NECESSITY TO ARRIVE AT A FINAL DECISION.

C. FINALLY, THE PREPCON MAY NOT BE ABLE TO AGREE ON AN AGENDA WHICH MEETS EVEN OUR MINIMAL REQUIREMENTS. THE LIKELIHOOD OF THIS HAS INCREASED TODAY. SHOULD WE FACE THIS POSSIBILITY, OUR PUBLIC POSTURE COULD BE ONE OF EQUANIMITY TINGED WITH REGRET. WE WOULD EXPRESS DISAPPOINTMENT THAT IT HAD NOT BEEN POSSIBLE TO AGREE ON A BASIS FOR CONFIDENTIAL

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HOLDING A CONFERENCE ON ENERGY AT THIS TIME, INDICATE OUR SYMPATHY WITH THE CONCERNS OF THE LDCS AND OUR INTENTION TO PARTICIPATE FULLY IN THE DISCUSSION OF THESE PROBLEMS IN THE FORA IN WHICH THEY ARE BEING RAISED.

RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 10 APR 1975  
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**Disposition Approved on Date:**  
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**To:** STATE  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006